



NOTICE
March 24, 2006

US Department of the Treasury Issues Rulings Against Foreign Banks

Scotiabank Group (the Bank) is committed to the prevention and detection of money laundering and terrorist financing. Not only do we endeavor to fully comply with all laws and regulations governing our business in each country where we operate, the Bank applies additional policies and procedures globally to ensure that all our operations meet our own stringent standards.

On March 9, 2006 The U.S. Department of the Treasury (the Treasury) finalized its proposed rule against the Commercial Bank of Syria (CBS), and its subsidiary, the Syrian Lebanese Commercial Bank (SLCB). The rule requires all U.S. financial institutions to terminate all correspondent accounts involving CBS, SLCB and all of their branches, offices and subsidiaries.

On April 12, 2004, the Treasury issued a similar final rule against Asia Wealth Bank (AWB) and Myanmar Mayflower Bank (MMB) and on September 20, 2005 issued a similar proposed rule against Banco Delta Asia SARL (BDA). Given that the United States has been vigorous in asserting the extraterritorial reach of certain US statutes, including its Anti-Money Laundering and Terrorist Financing laws, the potential exists for non-US banks to be the subject of an enforcement action by the US government for directly or indirectly facilitating transactions involving CBS, SLCB, AWB, MMB or BDA.

Our goal is to work with our financial services partners to ensure that both the Bank and its partners fulfill their mutual obligations to comply fully with applicable laws. We are hereby providing you with notice that Scotiabank Group will not conduct any business with CSB, SLCB, AWB, MMB or BDA and their subsidiaries. Furthermore, as a financial institution maintaining a correspondent banking relationship with our Bank, your correspondent account(s) may not be used to provide CSB, SLCB, AWB, MMB or BDA and their subsidiaries with access to our Bank.

The Bank will not be liable for any seizure of funds, from correspondent accounts, by the United States government as a result of non-compliance with the US Department of the Treasury's rulings against CBS, SLCB, AWB, MMB or BDA and their subsidiaries.

Questions regarding the contents of this notice and should be directed to the undersigned.

We request your cooperation in ensuring compliance with the Bank's policy.

SCOTIABANK

Per:

Name: L. Jane Simmons
Title: Manager - Risk Management & Compliance
GLOBAL TRANSACTION BANKING
Trade Finance & Financial Institutions
Phone: +416 866 4227
Fax: + 416 933 7467
E-mail: jane.simmons@scotiabank.com
Date: April 12th, 2006

